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Bond, William Key

Speech of Mr. Bond, of  
Ohio, on the treasury...

[Washington?]

[1840]

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# SPEECH OF MR. BOND, OF OHIO, ON THE TREASURY NOTE BILL.

Delivered in the House of Representatives, March 18, 1840.

Mr. BOND said that, after the very interesting and instructive speech of the gentleman from Georgia, (Mr. KING,) who had just taken his seat, he felt that the remarks which he was about to submit would seem comparatively dull. He said he was but an humble gleaner in the field of debate; and at present merely aimed to present to the committee and to the country a few prominent facts, which he thought tended to illustrate the causes which have brought this nation to the necessity of borrowing money to meet its ordinary expenditures! Mr. Chairman, the state of our public concerns at this moment is very remarkable, if not peculiar. We have an Administration in power who profess to be friends of a hard-money currency, and invite the passage of a law requiring the collection of all public dues in coin, but propose to pay their own debts in paper, the notes of their Secretary of the Treasury! And at this crisis we are urged to provide places of safety for the public money, and to create a host of new officers, with large salaries, to watch over an empty Treasury! This looks something like shutting the stable door after the horse is gone!

Is not this case fairly stated? You would not grant this, I admit, if you look merely at the last annual message of the President, and the report of the Secretary on the finances. These documents come in at the first of the session, and, being always sought after and read with intense interest, they are generally dressed up in holiday suits, and sent forth with the cry of "all's well!" Many thousand copies of them are printed by Congress, at public expense, and circulated throughout the country. Hence it would be unwise to insert in these papers a fact so well calculated to alarm a free and watchful People, that we have an empty Treasury! But, after administering to the nation a soothing anodyne, wrapped up in the annual message and finance report, and when curiosity is no longer active, Mr. Secretary Woodbury writes a letter to Mr. President Van Buren, who communicates it to Congress, invoking us to the immediate passage of a law authorizing the issue of Treasury notes in order to preserve the faith of the Government in the payment of its debts!

And how will the issue of Treasury notes preserve this faith, which we all admit should be kept sacred? I am ready to vote any sum of money which the Administration will say is necessary for the purposes of the Government, but I wish to do it directly. If money is wanted, let the Government borrow it at once. By doing so we can avoid the deception which the Treasury-note system practises on the People, and, at the same time, test the practicability of the hard-money currency which Mr. Van Buren professes to believe in. The country would then see the amount borrowed, and the terms and cost of such loan. Then, too, the public creditors would get their money, and the public faith would be preserved.

But, I again ask, how does the issue of one set of Treasury notes, to take up others previously issued, preserve this faith? We are told by the President that, since 1837, this Government has issued near twenty millions of dollars in Treasury notes; and that about two millions of these remain to be redeemed, falling due in March, April and May. I should like the chairman of the Committee of Ways and Means, (Mr. JONES,) who is presumed to be on the most friendly and familiar terms with the Administration, to inform us in what way it will preserve the faith of the Government, which, having given its notes promising to pay a sum of money by the 5th or 7th of March, takes up these notes by the substitution of others in their stead! It has been said, indeed, that these Treasury notes are sold in the market, and the proceeds used. If so, I wish to be informed of the details of these operations. If these notes are not paid directly to the public creditors, but are sold in the market or pledged with banks or brokers, the terms and manner of raising money on them ought to be disclosed. We have large items of expenses incurred in issuing these notes, and still larger expenditures for interest paid on them, amounting to many thousand dollars. I desire to know where, and upon what terms, the Secretary converts them into money. The Treasury-note system is a deceptive one generally; but the bill now under consideration is particularly so. At a first glance, it would seem to limit the issues under it to five millions of dollars; but a careful reading of it discloses a lurking power to renew, from time to time, and in effect to continue a standing issue of Treasury notes. This is the beginning of a Treasury-bank system by a professed hard money Administration! The sequel will prove that Mr. Van Buren's professed faith in an exclusive metallic currency, will result, if, indeed, it was not so designed, in the destruction of all State banks, and a substitution of not a metallic, but a Government paper currency! To all this I am opposed.

I am ready to vote the power to borrow money, in express terms, if needed for public purposes; but I am constrained to ask how it happens that we are reduced to this painful and mortifying necessity? Whence comes the great and extraordinary reverse, not only in our public concerns, but in all business and individual transactions throughout the entire country? Mr. Boss said he was aware that it was usual with the friends of the Administration to charge the Opposition with a design to set up a cry of distress when there was really no distress in the land. He denied the justice of this imputation on any past occasion, and felt assured that the country had often suffered by the assaults of the past present Administrations on the banks and currency of the nation.

We had, by our vices and by our varied resources, recovered from these shocks on several occasions, and then the friends of the Administration would proclaim that the whole affair had been fictitious, and that a false alarm had been created. But I fear that the wolf has at last come and that the evils which the Whig party foretold have resulted from the continuation of the assaults on the currency and the system of credit to be fully realized. The distress of the country is now admitted by the Administration. The worthy chairman of the Committee of Ways and Means, (Mr. Josses), tells us that the revenue "may possibly be affected by the universal embarrassment which seems to have spread over the whole country." This, then, is no panic, and it is not a delusion, and what we saw yesterday is not a mere reverie.

What was our situation, and what is it now?—We may well weep over the reverse. The sound and uniform currency which we enjoyed when Mr. Van Buren became Secretary of State in 1829, must be familiar in the recollection of the committee. At that time, and for several years afterwards, the public revenue was collected with great ease, and paid over with exemplary punctuality. Specie was the basis of all the bank notes of that day, whether the United States Bank or State banks. He who held the notes could readily command the specie. The business of exchange was regular and uniform, the premium being often less than one-half of one per cent, and never equalling the cost of transporting the specie from the place of drawing to the point of payment. The notes of the Bank of the United States were equal, everywhere, to specie in the country, to specie in all places absolutely commanding a premium over it. The State banks, too, justly commanded the confidence of the community. Confidence is every thing in the business of life—it is credit, and "credit is money;" it is the poor man's capital. The rich often need it, but the poor man relies upon it. Having established "a good name," he thereby obtains the means of prosecuting any business which he chooses to undertake with quietness and ease. In this way he is placed on an equality, and may honorably and successfully compete with the rich. All business was then conducted with ease and a steady regularity, which imparted stability to the institutions of our country. Agriculture, commerce and manufactures, with all the mechanic arts, flourished in their respective spheres, and every branch of industry received its just reward. But now, how changed the scene! The Administration, speaking through the chairman of the Committee of Ways and Means, (Mr. Josses), admits that a "universal embarrassment seems to have spread over the whole country." The daily accounts brought to us, from all quarters of the nation, show a most alarming reduction in the value and price of every description of produce and property. The President, in a time of profound peace, calls for financial aid; he cannot meet the public engagements! Being unwilling to borrow money openly, and thus confess an empty Treasury, he asks to be allowed to beg day with the public creditors, and give them the Government paper promises to pay hereafter, with interest! It is true, indeed, that an attempt is made to create an impression that the Treasury could meet its engagements if it pay its bills in balances which it has in its possession. But such is the fact. The chairman of the Committee of Ways and Means, (Mr. Josses), who speaks in this matter as the organ of the Administration, admits that the amount due from the deposit banks is but eight hundred and five thousand dollars. This sum is not equal to one-half the amount of Treasury notes now outstanding against the Government. Besides, this debt of the banks is in a course of payment in periodical instalments, by an arrangement with the Treasury, and could not, therefore, have been relied on as a fund to pay Treasury notes at this time.

For this same purpose a reference is made to the United States Bank of Pennsylvania, whose bond is held for the last instalment, due next September, on account of the sale made to that institution by the Government of the stock of the Bank of the United States. I will say a few words on this flimsy pretext for passing this bill. Why did not the Secretary of the Treasury, Mr. Woodbury, accept payment of this bond when it was offered to him? You are aware, sir, I presume, that the Administration—in which Mr. Van Buren and Mr. Woodbury filled conspicuous places for a series of years, drew the value of the stock in the Bank of the United States, and openly proclaim that the interest which the Government had in it would be lost. Will you not be surprised to learn that these same gentlemen, when the charter of that bank expired, actually demanded and obtained a premium of \$15.58 on every share of this stock! Thus making a clear gain to the Government of more than eleven hundred thousand dollars on stock which the People were induced to take, payable in four annual instalments, with interest. The Secretary of the Treasury was afterwards authorized, by an act of Congress, to sell the two last of these bonds, the others being paid or near maturity at the time.

We learn by Mr. Woodbury's report, made on the 24th December, 1835, (see Senate Doc. No. 31, 3d Session 25th Congress) that he advertised these bonds for sale, in virtue of that law, and that in due time the bank itself, through an agent, Mr. Charles McAllister, proposed to purchase both bonds, and to pay therefor the principal and interest, computed in all respects as the law required. Did Mr. Woodbury accept this offer? He tells us in the report just referred to that he

sold the bond due in September, 1839, but concluded not to sell the other, which will not be due before September, 1840. And why? The law authorized it, and he advertised the sale of both; but, when a purchaser offers to take them on the terms provided in the law, the Secretary concludes to sell only one! Here we have an opportunity received to receive the whole sum, principal and interest, due from this bank, but Mr. Woodbury absolutely refused it! And now he and the President unite in excusing themselves for urging the power to issue Treasury notes, because the bank does not pay this debt! It is unnecessary to dwell longer on comment on these facts.

But what excuse had the Secretary for not selling the last bond, after advertising and receiving an offer for it at its par value? I will read you his own words:

"The Department, hoping it might be able to get through the year without the sale of more than one bond, provided the second one, due in September, was paid punctually, and in money, rather than in new Treasury notes not receivable, and, if disappointed in this, that it might soon have a better offer from abroad, concluded the sale unconditionally of only one bond."

Can it be possible that Mr. Woodbury expected to meet with any one simple enough to give an advance beyond the principal and interest of one of these bonds, having only about two years to run before they become payable, and the payment of which was not to be guaranteed by the seller? He was offered the whole debt, and would not take it, because he hoped to receive more. I need not say he was disappointed. I cannot believe he was sincere in saying he expected to "have a better offer from abroad." No, sir, one of the motives for suddenly declining to sell or accept payment of this bond grew out of an unwillingness to accumulate a large sum of money in the Treasury, by which he would have been obliged to pay over the fourth instalment to the States, as the law then in force required. The Executive branch of this Government, it is well understood, were opposed to the measure of depositing the public money with the States, and have done every thing which they could to prevent that law from being carried into effect. But having refused to accept payment of the debt from the bank before the maturity of the bond, it is a mere pretext for passing a Treasury note bill to say that it is needed by the Treasury because the law is not paid. And now, by any misfortune or other cause whatever, in this general deluge over the business and institutions of the land, the bond in question, due next September, be not paid, let the responsibility rest on Mr. Van Buren and Mr. Woodbury, who refused to accept payment, though offered in strict compliance with an act of Congress.

Another of Mr. Woodbury's reasons for wishing a power to issue Treasury notes is found in his communication to the President, and made the subject of his special message recommending the passage of the bill now under consideration.

After saying that the money in the Treasury for general purposes, at the end of February of this year, will be one million three hundred thousand dollars, he adds that "not over two thirds of this will be situated on the seaboard, and convenient for use to pay pensions and redeem Treasury notes." Here is an illustration of the benefits of the hard-money system. Until within a few years past, we had a system of finance by which the public money was, at a moment's warning, paid free of charge, at any point where the necessities of the Government required it. That system has been destroyed on a promise to furnish a better. What is the substitute? One part of it requires our people who wish to purchase your public lands to pack specie, at great personal risk and inconvenience, to the remote land offices in the far West; and when it is needed for public use, the Secretary of the Treasury, in plain language, tell us, it is not situated on the seaboard, and cannot be conveniently used." Wherefore they ask the power to pay in Treasury notes that very portion of the public engagements which, above all others, they have professed a wish to pay in hard money; I mean the pensions due to the old soldiers. But more. Having issued a large amount of Treasury notes which fall due about this time, they profess to have the money to redeem them, or a part of them, at all events, but it happens not to be "situated on the seaboard," and is not "convenient for use." So, to keep their faith, they propose not to pay the money on their Treasury notes now falling due, but to redeem one set of "paper promises to pay" by a new edition of these same "paper promises to pay," with the very "pretty pictures" on them heretofore so much ridiculed by this hard-money administration.

I fear that there is a settled purpose, indirectly but certainly, to establish a Government exchequer or Treasury Bank. The bill under consideration goes far towards it; and coupled as it is with Mr. Woodbury's last annual report on the finances, no one can doubt of the ultimate result, if not design.

One of the chapters of that report has a most ominous caption; it is this: "On some permanent safeguard under fluctuations in receipts and expenditures." Under this head the Secretary says:

"The national pride, no less than its national honor and credit, appears to be concerned in adopting some measure on this subject—made, efficient, creditable to free institutions, and possessing a permanent influence to preserve and support the public faith."

One more quotation from that ominous chapter will suffice; it is in these words:

"It is hoped that an actual failure to furnish means to make prompt payment, under all contingencies, and time permitting the very violation of good faith so much to be deprecated, will not be necessary to awaken its guardians to the urgent importance of such a measure. It is, however, without which the shape of an investment of a large balance on hand, or authority even to postpone certain classes of appropriation when the revenue is insufficient for the whole, the power to borrow money, or issue on interest, which the Secretary, in his exchequer bills, no financial system, in any enlightened country, has been or can be long administered without some honor."

Look now at the bill upon your table, and you will find that the plan last mentioned in the quotation from the Secretary's report has been adopted. It is, in effect, a plan offering to Mr. Woodbury, or his successor in office, to issue Treasury notes. Is this necessary for the safety and welfare

of this nation? And is Mr. Woodbury justified in saying that the financial system of this country cannot be administered with safety and honor without this power? I do not believe it is so. We have passed through every vicissitude—through good and through evil report—during the last fifty years, without this alleged "permanent safeguard"; and the experience of the last few years, and the present crisis in particular, convince me that, so far from justifying this measure, the People have greater reason to fear and be jealous of it. It is urged upon high and flattering considerations: our national pride, honor, and faith, are addressed by the Secretary. But I must declare my fear that it will be found fraught with as many secret evils against the liberties of this country as proceed from the body of that far-famed horse which bitter enemies, under the guise of friendship, placed within the walls of Troy! It will be time enough to create this power to borrow money when it is needed. Sufficient for the day is the evil thereof." Such has been the usage of our Government, and it has proved sound. We have prospered under it. We have had experiments enough: let us try no more, unless a clear necessity exists for it. Congress is in session every year, and, of late years, the intervals between some of the sessions are becoming very brief. Let this power, then, remain where it is, in the hands of the people, to be exercised by them, through their Representatives. The Executive is already too strong; it is grasping and is daily enlarging; its right arm, the money power, should rather be weakened than invigorated; and, if my vote can do this, it shall be done.

Having examined the principal reasons of the President and Secretary for this Treasury note system, Mr. B. said he would again recur to the deranged state of the currency and exchange, and to that universal embarrassment which "seems to have spread over the whole country." It is this which has brought this country to the necessity of borrowing money for its current expenditures. Was not this state of things foretold, and is not the sad reality now before us? To avoid responsibility, or by sincerity of purpose, gentlemen may tax their ingenuity to find out causes for our present national and individual distress. They may deny the propriety and justice of those which I shall assign, and are even willing to allow that they are unjust; and, in the end, they find that the nation is reduced to the necessity of borrowing money to pay its debts, and that "a universal air of embarrassment seems to have spread over the whole country." However much we may differ about the causes of this calamity, all will agree that when, on the 4th day of March, 1839, General Jackson came into power, he labored under no such evil, national or individual, as it is now admitted to be. In all the party conflicts which continually preceded his election, and in all the zealous and bitter partisans daily taxed their ingenuity to prefer charges, not one word was uttered which questioned the system of finance, national or State, or which suggested any defect in the circulating medium, currency, or exchange. That word "bank," which has been since used as the grand lever to upset the People, and carry all elections, was not heard, though the "monster" was then in full life. Indeed, so far from any fault being found with this institution at that time, Mr. Ingham, the first Secretary of the Treasury under General Jackson, in one of his early official letters to the bank, dated the 20th June, 1829, used these very words:

"I take occasion to express the great satisfaction of the Treasury Department at the manner in which the president and directors of the parent bank have discharged their trusts in all their immediate relations to the Government, so far as their duties have come under my notice, and especially in the manner in which they have discharged the trusts of the Government, and in the preparation for the heavy payment of the public debt on the 1st instant, which has been effected with the air of the prudent management of your board."

The times I allude to filled the air with blunted accounts of useless and unnecessary clerks and officers in the different departments and branches of the public business, and equally extravagant representations as to the expenditure of public money, under the administration of the venerable and upright, virtuous and intelligent gentleman, now a member of this House, from Massachusetts, (Mr. Anax.) These things went vent to the People with shouts of promised retrenchment and reform. The pretensions of the party were either false, and the People voted under gross deception, or, at any rate, the promises have not been kept, and the People have been equally deceived.

A few quotations from one of the reformers of that day will illustrate what I have just said. I mean Mr. Buchanan, of Pennsylvania, then a member of this House, and now a leading friend of preceding General Jackson's election, Mr. Buchanan said:

"I believe it is necessary that all the public expenditures should be subjected to a most rigid examination. That no one man exist which ought to be remedied, I wish to ascertain a purpose of doing. When, with wisdom and with energy is cutting of the useless branches of public expenditure."

And again he said:

"The power and patronage of this Government have been extended, and are felt in every neighborhood of this vast empire. There is now infinitely more danger of consolidation than of disunion; and the States should now be jealous of every encroachment upon their rights."

In connection with this sentiment, Mr. Buchanan said:

"I have been called a federalist, and I shall never be ashamed of the name."

This name of "federalist," it seems, is one which Mr. Buchanan wears with ease and complacency, and will never be ashamed of, though the official organ of the Administration, the Globe, is a daily reviler of it. But it is not my purpose to settle this difference of opinion between these two friends, Mr. Buchanan and Mr. Blair; it is their own affair, and they, no doubt, understand each other. I will only say that Mr. Blair is the author of Mr. Buchanan's promise "to remedy the abuses and stretch the public expenditures." All this has proved but vain and empty clamor. It turns out that this

vaunted reformer, who made public "proclamation that he was not ashamed of being a federalist," and declared that in due time he would "commence the work of reform," and "enter upon it seriously," and, with wisdom and energy, "engage in cutting off the useless branches of public expenditure," and would provide "remedies against all abuses" as well as against "the power and patronage of the Government, which extended and were felt in every neighborhood of this vast empire"—I say, it turns out that this very reformer never commenced reform. Did he find it "a most troublesome, thankless, and hopeless task," as, in the debate, he said "it was generally thought to be?" From December, 1829, to this moment, the People have been led on step by step, under the application of one seductive nostrum after another in quick succession; occasionally the wretched influence of some of those quick medicines were thrown off, and the vigor of the country seemed partially to be restored; but another dose, a gilded pill with its glittering lustre, was prescribed and taken; and all its sad consequences are upon us. In that same speech of Mr. Buchanan, already referred to, he says:

"It is a maxim of despots that the People should never inquire into the concerns of the Government. Those who have been enslaved, from Cesar to Bonaparte, have always endeavored, by presenting them with arguments, and by every other means in their power, to attract the attention of the People from the conduct of their rulers."

The People are now inquiring what has brought this calamity on the land; and I propose to state a few facts which, in my judgment, have had a leading agency in it. But I wish it to be distinctly understood that, in any thing I have said or may say, it is not meant, nor do I design it to be construed, as proposing to disturb the country with the question of incorporating a Bank of the United States. I am confident it would have been fortunate for the People if that institution had never been destroyed. But it has been put down, and in my judgment no attempt should be made to incorporate a similar institution, unless the People themselves, in their primary assemblies, so direct their Representatives. My object is simply to submit the leading facts which I think brought the country to its present embarrassment.

I repeat, then, as my deliberate conviction, that the measures of the past Administration, commenced by Mr. Van Buren as Vice-councillor, and since continued by him under his own Administration, have had the principal, if not the entire, agency in bringing this distress upon the country. It is my purpose to state, in their historical order, the leading measures to which I attach this responsibility. This I will aim to do with entire accuracy, by reading from the several volumes of public documents communicated to and printed by Congress. If gentlemen question any statement, as I proceed, I respectfully ask them to take the books, and read and satisfy themselves. Many, if not all the documents which I intend to read, have often been used in this House before.

I again repeat, then, that our currency and exchange were most happily regulated and proverbially sound when, in December, 1829, instead of a plan for retrenchment and reform, the President, under Mr. Van Buren's advice, commenced his attack on the currency, and, to the surprise of all, said:

"The charter of the Bank of the United States expires in 1836, and its stockholders will most probably apply for a renewal of their privileges. In order to avoid the evils resulting from precipitancy in a measure involving such important principles and such deep pecuniary interests, I feel that I cannot, in the present emergency, too soon present it to the deliberate consideration of the Legislature and the People. Both the constitutionality and the expediency of the measure will be a subject of the highest importance to the nation, and it must be submitted by all that it has failed in the great end of establishing a uniform and sound currency."

Upon the delivery of this message, it was referred in the House to the Committee of Ways and Means, composed of a majority of the personal and political friends of General Jackson, and who had been chosen by the President to be his confidential advisers in the management of the nation. The committee, thus composed, made an elaborate and instructive report, from which the following passages are taken:

"Bank credit and bank paper are so extensively interwoven with the commercial operations of society, that even if Congress had the constitutional power, it would be utterly impracticable to annul the entire a monetary system of the country as to abolish the agency of banks of discount, without involving the community in all the distressing embarrassments usually attendant on great political revolutions, subverting the titles to property."

"Soon after the expiration of the charter of the first Bank of the United States, an immense number of local banks sprung up under the pecuniary exigencies produced by the withdrawal of the large amount of bank notes previously issued by the Bank of the United States. These banks, being entirely free from the salutary control which the Bank of the United States had exercised over them, commenced that system of immoderate trading and excessive issues which speedily involved the country in all the embarrassments of a disordered currency."

"The Chief Magistrate, in this part of his first message which relates to the Bank of the United States, expresses the opinion that 'it has failed in the great end of establishing a uniform and sound currency.' After giving to this opinion all the consideration to which it is so justly entitled, from the consistent and high character of the reasons by whom it is entertained, the committee are constrained to concur in their respectful but decided dissent from it."

"Human wisdom has never effected, in any other country, a nearer approach to uniformity in the currency than that which is made by the use of the precious metals. If, therefore, it can be shown that the bills of the United States Bank are of equal value with silver at all points of the Union, it would seem that the proposition is clearly made out that this bank has accomplished the great end of establishing a uniform and sound currency. It is only when the bills of the United States Bank, and all its branches, are invariably and promptly redeemed in specie whenever presented at the offices by which they have been respectively issued, and at which, upon their face, they profess to be payable. Nor is it deemed necessary that the bills of the bank, and all its branches, are so redeemed at their respective places of circulation. Bills, for example, issued by the mother bank, are admitted to be equal to silver in Pennsylvania, and all those parts of the adjacent States of which the bills are not redeemable in specie; and those bills, not being redeemable in specie at Charleston and New-Orleans, are not of equal value with silver to the merchant who wishes to purchase cotton with them in those cities. Now, if the Philadelphia merchant had

"These, with other receiving officers, which need not be specified, compose an aggregate of more than 9,000 persons dispersed through the whole of the Union, who collect the public revenue. From these persons the Government has, for the ten years preceding the 1st of January, 1839, received \$230,063,855 17. This sum has been col-

In this, it will be observed that the President affects to believe that the public money is not safe in the Bank of the United States. He had succeeded in cutting off all hope of rechartering the institution; and it was then hoped that he would suffer it to proceed unmolested in the discharge of its various duties for the remnant of time which remained under its original charter. Here again the message just read disappointed us. He now questions the safety and security of the public money in the bank, and after saying that the Secretary of the Treasury had instituted an inquiry

on that point, recommends the same inquiries to Congress. The 1st volume of Executive documents, being doc. No. 8, House of Reps., 2d ses. 22d Congress, shows that Mr. Louis McLane, as Secretary of the Treasury, in November 1832, appointed Mr. Henry Toland, of Philadelphia, to make the examination alluded to by the President. In appointing him, Mr. McLane says:

"It is expected that the examination will be as complete as the law authorizes, so as to ascertain the security of the public moneys and the solvency of the bank."

It is well known, that Mr. Toland is a gentleman of unsullied integrity, and possesses talents and qualifications eminently qualifying him for this trust. To this it should also be added, that he was an early and fast friend, personal and political, of General Jackson, under whom he held for several years, and until the close of his Administration, the office of Navy agent in the city of Philadelphia. These facts are mentioned to show that the report of Mr. Toland was entitled to the confidence of General Jackson and his friends. What was that report? The document last referred to contains it, and he there says:

"I called on the president of said Institution, who gave prompt directions to the officers to furnish me with any books or documents belonging to the institution which I might consider material to my investigation."

And, after stating the details of his examination, he adds

"Thus far, I consider my report as complying with that part of your letter directing the investigation, so as to ascertain the security of the public money and the solvency of the bank, neither of which can, in my opinion, admit of a doubt."

With this report, it is proper also to mention that the inquiry recommended to be made by the President was referred to the Committee of Ways and Means in the House, who, after examination, and upon proofs, reported fully. This is the conclusion of the report:

"It appears from official documents of unquestionable authority that the specie actually in the vaults of the Bank of the United States is within one tenth of the amount held by all the banks in the United States. Upon thought, the circulation of paper is but one fourth of the aggregate of theirs. In other words, if I take \$100 upon thought, whilst it takes nine times ninety millions of specie, with a circulation of notes to the amount of seven hundred millions and a half, whilst the specie in the vaults of the banks, with specie their vaults of from ten to eleven millions, have a circulation of sixty-eight millions of paper currency, which is more than sufficient to circulate the whole. The circulation of the House of Lords, of there can be no doubt of the entire soundness of the argument can be relied upon, which it all demands upon it, either by its bill holders or the Government; and such is the opinion of the committee, who are well acquainted with the well known character and intelligence of the directors whose testimony supports the facts above stated."

The following resolution concludes the report :

"Resolved, That the Government deposits may, in the opinion of this House, be safely continued in the Bank of the United States."

This resolution was adopted by the House, by a vote of 109 for it, and only 46 against it, and Congress adjourned. After this repeated testimony, solemnly borne by the friends of the Administration, in favor of the safety and security of the bank and of the public money now on deposit, the people of this country would gladly have had repose, but this was denied them. The Administration, having failed to carry the point before Congress, now resolve to take the matter into their own hands. On the 23d of April commences the plan to substitute State banks for the Bank of the United States. On the 23d of April President Chase sends Amos Kendall, well known "as a man of all work," to be appointed to negotiate with the State banks to become the depositories of the public money. His letter of appointment was:

"It is the opinion of the President that, hereafter as heretofore, bank agency will be found convenient in managing the fiscal operations of the Government; and as he cannot, consistently with his avowed sentiments, sanction any national institution organized upon the principles of the existing Bank of the United States, he deems it proper to ascertain whether all the services now rendered by it may not be performed by the banks incorporated by the several States on terms equally or more favorable to the Government." (See Sen. Docs., 1st sess., 23d Cong., vol. 1, doc. 17, p. 19.)

Mr. Kendall accepts his appointment and enters upon his agency to decoy the State banks. The particulars of his crusade I reserve for another part of my remarks. He succeeded in prevailing on several of these institutions to become the depositories of the public money, and makes his report to the Government. Mr. Duane, then Secretary of the Treasury, related the measure on the ground that Congress had just passed the resolution already referred to, and would again soon be in session, when the matter could be submitted to them. But this was exactly what the Executive wished to avoid. Congress, on full consideration and by a large majority, had passed a bill to re-charter the bank, but this failed under the Executive power.

That same Executive net insists that the bank is not a safe depository of public money, and not only directs Mr. Toland to inquire into its safety, but urges the same inquiry on Congress. Both these inquiries are made, and the results were adverse to his suggestions. His own personal inquiries, Mr. Toland, Secretary of the Treasury, advises against this same measure, and urges the propriety of submitting the subject to the motives of the people. But this is all in vain. In utter disregard of all these proceedings, and after the lapse of nearly a year, the President resolved on substituting his "*sic volo, est jure*," as the law of the land, and commands a discontinuance of the United States Bank as the public depository! His Secretary is unwilling to comply with this order in this province, if done at all; and, being unwilling to do so, he is constrained to resign. His successor, Mr. Sigsbee, has not yet been appointed.

This was the consummation of a series of measures which first disturbed and ultimately destroyed the system of finance, currency, and exchanges, under which this country was prosperous and happy. But General Jackson and his Cabinet promised and induced the country to believe that a

better system would at once be supplied. Two plans for accomplishing this were proposed in succession—one "the State bank system," the other "the gold humbug!" Mr. BOND said he would examine each in its order.

of the Bank of the United States, as to the State bank projects. We have already seen, by the letter appointing Mr. Kendall as agent for the Bank of the United States, that he was required to ascertain whether all the services rendered by the Bank of the United States could not be performed by the State banks on terms equally or more favorable to the Government. Mr. Kendall, having visited most of the principal cities on this mission, made his report, which may be seen in Senate document No. 17, vol. 1, of the first session of the twenty-third Congress. He there says:

"Some interesting facts relative to the currency of the country came to my knowledge on this tour, which it may be important to mention."

After stating the facts, he gives his inference from them in these words

"It is the Government, therefore, and not the bank, which gives those notes (the notes of the Bank of the United States) all the general credit and currency they possess; and the same credit and currency it can give to the paper of any other institution."

All who will read the official publications of that day will be convinced that the Administration in discontinuing the use of the Bank of the United States, engaged to furnish a substitute for the circulating medium and exchange which that institution had afforded to the country. Indeed, it will be seen that Mr. Secretary Taney, in the document which I shall presently refer to, in assigning his reasons for the removal of the deposits, not only promised, but admitted it to be the duty of the Government, to furnish this substitute, and that at present the Government is promising to do so. The admission of Mr. Secretary Taney, that at present the Government is promising to do so, is, he said to hold "the pen of a ready writer," and his own language shall now be employed to disclose the plan of the Administration for a system of national currency and exchange. In his report already alluded to, he says:

[illegible]

"The notes of the Union Bank of Tennessee are now a better currency in Philadelphia, and everywhere else, so far as they are known, than the notes of the Nashville branch of the United States Bank, simply because they are convertible into specie, and therefore pass at par at the great commercial points. They are now taken in payment of debts and on deposit by the banks in Philadelphia, but the branch notes are not.

"The Planters' Bank of Mississippi has made an arrangement with a bank in New-York, by which it is to issue notes, payable at its own counter or at the Planters' Bank in Mississippi. Although it is not to be expected that New-York notes will often be presented in Mississippi for payment, yet this form exhibits to the holder the evidence of their general credit, which he would not have if they were payable only at one point.

"Whether any of the Louisiana banks have like arrangements I am not informed; but there can be no doubt but the banks in that State and in the other interior Western States will follow the example which promises such beneficial results."

[illegible]

"Probably the period is not far distant when it will be found to be the true interest of the country and the banks themselves, that the whole of the paper currency shall be payable in the great commercial cities." "The greater the distance of any bank from the centre of trade, the greater interest will it have in making its paper payable there, because it will take it longer to reach the point of redemption; and its paper will be as much better than specie at home, as the difference in convenience and the expense of transporting the two articles to the great commercial inlets of the country. The result will probably be that the interior banks will soon become the elastic discount and deposite, keeping all or most of their specie funds in New-York or Philadelphia; and, the greater their distance, the more decisive will be the advantage both to themselves and to the country in adopting this course."

Having made this exposition of the Administration's plan of a system of currency and exchange to take the place of that furnished by the Bank of the United States, Mr. Kendall concludes his report by stating that—

"All the real benefits conferred on the country by a national bank, in furnishing domestic exchange and a general currency, are likely to be more than equalled by the new course of business already introduced, which carries with it none of the concentrated power that makes such an institution dangerous to the purity of our Government and the liberties of the People."

We have thus seen this famous financial scheme explained, and the means illustrated by which



Mr. Taney then states that the notes of the bank and its branches on the 2d September, 1833, amounted to \$18,413,287.07.

<sup>4</sup> This (the Treasury) Department takes great pleasure in stating that the public money continues to be collected and deposited under the present system of selected banks, with great ease and economy in all cases, and with great



One or two comments are here necessary. Was it, indeed, as Mr. Brewster says, "a part of the plans of those who put down the Bank of the United States, and the part upon the success of which every thing was to depend, that gold, and not local bank paper, should become the national currency of the country?" *These steps were taken towards excluding local bank paper from the receipts and expenditures of the Federal Government, and the Treasury Department, and the Secretary of the Treasury of which was the Treasury order?*" If this were true, were the reports of Messrs. Kendall and Taney, and the President's several messages, adopting them, sincere or hypocritical? If, as they sincerely say, it was a part of their original plan to exclude bank paper and substitute gold, they sincerely say, and are doing directly the reverse. Those who read these different papers may judge of their consistency.

For my own part, I believe this gold humbug was a mere expedient hit upon when it was apparent that the first plan must fail, and was designed to call off public attention from its failure.

But Mr. BENTON stated one thing at which we should all be alarmed. In this republic, a professed Government of the people, a Senator rises in his place, and, in sustaining an Executive measure, says, "the people cannot make head against the Government." If not looked to in time, I fear this will be our confirmed misfortune; but the signs of the times show that the people are aroused, and will not long submit to this rebuke.

This plan to destroy the uniform and sound currency which we enjoyed, and to allure the people to its accomplishment by the promise of gold, may be regularly traced throughout that newspaper to its commencement, and to the present day. Van Buren and his Administration. I now propose to read from that paper a number of its editorials, which were published before the passage of the act by your Government Library, where they are carefully preserved for the convenience of the amusement of all the faithful! This paper has long enjoyed the patronage of the Administration, and has been the object of the special protection of the Government. The plans and sentiments of the Administration, when published, first appear in this official organ, and its opinions are always put forth "by authority." When the Administration has been in power, it has been the organ of the Administration, and the plans and sentiments of the Administration, the heavy largesse daily paid to it, and the power which it has seen clearly to indicate. With this brief account of the official organ, I proceed to read various numbers of the paper, holding out a promise of a hard-money currency, and especially national currency of gold.

(From the Globe of 29th March, 1834.)

When the money held by the People is gold and silver, they never be moved by panics, affected by the difficulties of banks. With a golden eagle in his pocket on Saturday night, the laboring man may rest in perfect confidence that no bank failure on Monday will deprive him of the proceeds of his preceding week's labor. Few laboring men or farmers keep on hand for any time more than ten, twenty, to fifty dollars; and the sums they receive are generally small. If on small currency were eagles, half-eagles, quarter-eagles, and dollars, and with their fractional parts, the laboring man would receive payment for their labor or produce in the precious metals, they would be effectively protected against all the casualties of the currency. If the currency were made of gold and silver coin, the currency of the Constitution, is Jackson money; notes, with pictures on them, promising to pay, the banks' money. Which will our farmers and mechanics have, Jackson money or bank money?

(From the Globe of 18th April, 1834.)

**JACKSON MONEY.**—In a few days we shall have an accurate account of all the specie which has arrived at the principal ports in the United States since the first day of December last. We have no doubt it exceeds **FOUR MILLIONS OF DOLLARS.** The most singular incident of the times is, that **GOLD** as well as silver is returning from Europe.

g man would not rather have a golden c

[From the Globe of May 21, 1834.]

If Congress will pass the coin bill, the circulation of the country will be rich in gold and silver. The drops of sweat which fall from the farmer's brow will be turned into eagles, and half-eagles, and Spanish milled dollars. His bushels of corn, wheat, &c., will not be resolved into a dirty rag in the corner of his pocket, promising to pay what the issuers have not the means of paying.

[From the Globe of June 11, 1824.]

Since Mr. Lowndes's death, the argument of the GOLD REGION has derived an additional weight from the discovery of our native gold mines. These mines are developing with rapidity and extent unknown in the history of the world. Ten years ago, first noticed, and producing then \$5,000 a year, now producing about two millions in a year; and no assignable limit to their extent and production. To those who talk of a NATIONAL CURRENCY, we point them to the GOLD REGION in Virginia, the Carolinas, Georgia, and the contiguous portions of East Tennessee and Alabama. There is a NATIONAL TREASURY! There is material for a NATIONAL CURRENCY! None in every sense of the word: for it is the product of the nation; and current all over the nation; and called for by every man in the nation, who is free from the chains of servile servitude to the United States Bank.

If Mr. Lowndes had lived, our truly national currency would have been long since restored. The discovery of the gold regions in the South would have stimulated his exertions, and consummated his purpose. The restoration of this currency is now demanded by the voice of the whole country. It is demanded from the present Congress. It is the great measure of the session. Let the nation not be disappointed. Let the GOLD BILL pass! 16 to 1 is the word! The hank men, not daring to make an open opposition, will work under ground, and endeavor to frustrate the measure by proposing all manner of fractions between 15 and 16 to 1; but let the gold phalanx stand firm, and the paper legion will be defeated.

[From the Globe of June 12, 1834.]

We would state, for the information of the gold mining districts of the South, that a bill for raising the value of gold will probably pass at this session of Congress, and if the ratio of 16 to 1 is adopted, the rise in value will be 6 per cent. and a fraction; therefore, no one should sell his gold at present rates, but hold it up for the event of this bill. It is calculated that the passage of such a bill would be a clear profit, and, what is more, a just and honest profit, of from \$120,000 to \$150,000 this year; with an increase for every succeeding year.

[From the *Globe* of June 16, 1834.]

The whole great West; require a circulation of doubloons. It will be their principal gold coin; and will be put in immense quantities from New Orleans. Why weigh this coin, unless clipped, or fraudulently reduced in weight? The doubtless answer is, because it is not weighed here. But why not weigh it there? Because the Government of the People requires them to pass as requested by the Louisiana Legislature; and surely this is the case in which the vote of this Legislature should be heard. There is a difference between the Spanish and Patriot doubloons, and the latter are not so good as the former. But what if they were? Would we care to have the value of both is the same at the mint as those issued them. They are both minted under the same regulations. The reason of the difference in consequence of the different authorities of Spain, and where Patriot doubloons will not pass. At the same reason, which makes Patriot doubloons worth less in market than Spanish milled silver, while the Patriot dollar really has more silver in it than the Spanish dollar. And the same reason, which excludes foreign coins. Nearly all the gold and silver coined in Mexico and South America, for the last 16 years, was issued by the new Governments, and therefore not current in old Sp-in, nor in the late United States. This money of the new Governments was just as good as the old, and would have flowed into the United States in goods, if not driven away by our bank law. Even now, if the silver of the new Governments doubloons expressly will come to the United States. The Patriot doubloons will nearly all come here, because they cannot find a fair market in

The subject has been before Congress all the winter, and every member knows how he is going to vote. There is no prospect of delay; but delay is the first trick of the bank to defeat the bill. Congress has but one question to decide, and that is the relative value—the question of 16 to 1—all the rest is matter of detail. The time is now short—only two weeks; but still the coin bills are expected to pass. The design of the bank party to defeat the bills by delay, or to frustrate their operation by inadequate and vicious details, is perfectly understood, and being understood ought to be counteracted. Let the gold bill pass.

It is computed that the Southern mines will yield THREE MILLIONS of dollars worth of gold this year. A rise in the ratio of gold from 15 to 1, to 16 to 1, will be an advance of six and two-thirds per cent. on that amount, which will be \$190,000 on the whole.

[From the *Globe* of June 21, 1834.]

It is due to the People of the United States to know that the Bark of the United States is now in the field, an open combatant, opposing the restoration of the gold currency. She knows that the establishment of a national GOLD currency puts an end to all plea for the establishment of a national PAPER currency; and, therefore, her war against gold is the last war for her own existence.

The ability of the United States to supply itself with a gold currency is beyond the reach of evil or dispute. We should, doubtless, gain five or six millions by the time Congress meets again, if the bill is passed before the end of the present session. This belief rests upon good data. There is probably two millions more in the country, waiting for the passage of the gold bill. The production of gold in the United States is about 100,000 ounces a month, and the present stock of gold in the world does not exceed several millions. The gold coinage of Mexico, Guatemala, and South America, will flow to the United States as soon as gold is raised to 16, for that is the rate in all those countries. We should get nearly all the Patriotic doubloons, which cannot find a fair market elsewhere, and would come here in shoals, if received at their own native mint value, of sixteen dollars each. By the time the charter expires in 1856, there would be more gold in circulation than there are now of United States Bank Notes.

[From the *Globe* of July 1, 1834.]

[illegible]

market for exploitation is close, there are undoubtedly millions and a half of dollars; but by fall it will be coming. The small little States will begin to have considerable influence on the general currency. The great West, and all the new States, will feel the golden shower. Emigrants and purchasers of public lands will all carry gold to the West and to the land offices; and of these rich accumulations the greater part will diffuse itself among the People in the expenditures of the emigrants and the disbursements of the People. [?] No doubt effectual measures will be taken to prevent local bank notes to be disbursed for the Government when gold has been received.

Let the country rejoice. There is no longer a plea for federal bank notes! Gold is a good enough national currency for the republicans of the United States!

We shall soon have an abundant circulation. Our native mines are yielding over three millions per annum. England coined twenty millions of pounds sterling of gold in six years after she reformed her currency in 1816. France coined one hundred and ninety-five millions of gold since Bonaparte reformed her currency in 1803. England also coined forty millions of silver from 1820 to 1838; and France has coined four hundred and ninety-nine millions of dollars in silver since Bonaparte banished paper money. With the aid of foreign coins, and the double power of the new mint of the United States, we shall soon abound with the coin of the realm.

It is the first fruit of the victorious issue of the great contest with bank, growing out of the removal of the deposits.

From the *Globe* of July 16, 1834.

**THE GOLD CURRENCY.**—While every part of America rejoices—while every heart not enslaved to the serf-aristocracy of the paper system—while every independent and patriotic citizen exults in the recovery and restoration of the long-lost gold currency—the West, and all Western citizens, have the deepest and greatest cause for proud exultation and manly rejoicing at this propitious event. For, of all America, the West is the part which needed

At branch mint at New Orleans, coined the *immense* sum of twenty-three thousand dollars of gold. At another, the branch mint at Charlotte, in North Carolina, the sum of eighty-four thousand one hundred and sixty-five dollars was coined in about thirteen months, at an expense of thirty-three thousand four hundred and sixty-six dollars and sixty-six cents! That is, it actually, in the current expenses of the mint, cost near thirty-four thousand dollars to coin the sum of eighty-four thousand one hundred and sixty-five dollars of gold. And how low is the country of nearly one half the whole amount of coinage consumed in current expenses! The mint has also been the place of the purchase of ground, building the mint, and supplying the needful machinery! All must see that these boasted branch mints, so far from adding any thing to our national currency, have proved a

"**SIR:**—The Girard Bank has been selected by this Department as the depository of the public money collected in Philadelphia and its vicinity, and the Collector at Philadelphia will hand you the form of a contract proposed to be executed, with a copy of his instructions from this Department. In selecting your institution as one of the

fiscal agents of the Government. I not only rely on its solidity and established character, as affording a sufficient guaranty for the safety of the public money entrusted to its keeping, but I confide also in its disposition to adopt the most liberal course which circumstances will admit, towards other moneyed institutions generally, and particularly to those in the city of Philadelphia.

"The depositors of the public money will enable you to afford increased facilities to commerce, and to extend your accommodations to individuals; and, as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred in the additional accommodations which the public deposits will enable your institution to give, whenever it can be done without injustice to the claims of other classes of the community."

"I am, &c.

R. R. TANEY.

"Secretary of the Treasury.

"To the President of the Girard Bank, Philadelphia."

The letter just read is found in Senate documents, 1st session, 23d Congress, 1st vol. doc. No. 2, page 53, and the following letter is found at page 30 of the same document:

"TREASURY DEPARTMENT, October 9, 1833.

Sir: This Department has selected your institution as one of the depositories of the public money of the United States, and I send you enclosed the draft of a contract, which you will please have executed in proper form, under the corporate seal of your institution, and forward to this Department immediately. After you have done this you will please forward the enclosed communications to the public officers to whom they are directed, (they being instructions from the Government relative to the public money in their hands, or which they may hold or receive, in your institution to the credit of the Treasurer of the United States.) I enclose to you a circular business note relative to deposits and accounts of public officers, to which I respectfully call your attention.

In selecting your institution as one of the fiscal agents of the Government, I see only the safety and established character, as affording a sufficient guaranty for the safety of the public money entrusted to its keeping, but I confide also in its disposition to adopt the most liberal course which circumstances will admit towards other moneyed institutions generally, and particularly those in your vicinity.

"The depositors of the public money will enable you to afford increased facilities to the commercial and other classes of the community, and the Department anticipates from you the adoption of such a course, respecting your accommodations, as will prove acceptable to the People, and safe to the Government."

"I am, &c.

R. R. TANEY.

"Secretary of the Treasury.

"To the President of the Maine Bank, Portland, Maine."

In this same report, from which the foregoing letters are copied, Mr. Taney states that letters similar to the one addressed to the Girard Bank, just read, were

"Sent to the Presidents of the Commercial Bank and the Merchants' Bank of Boston, the Manhattan Company, the Mechanics' Bank, and the Bank of America, in the city of New-York, and the Union Bank of Maryland, in Baltimore.

Mr. Taney also there reports that letters, similar to the one before read and addressed to the Maine Bank, Portland, were also sent by him,

"To the Presidents of the Commercial Bank, at Portsmouth, New-Hampshire; the branch of the Bank of the State of Alabama, at Mobile; the Planters' Bank of the State of Mississippi; the Natchez; the Union Bank of Tennessee, at Nashville; the Franklin Bank of Cincinnati, Ohio; the Bank of Virginia, at Richmond; the branch of the Bank of Virginia, at Norfolk; the Bank of the Metropolis, at the city of Washington; the Bank of Burlington, in Vermont; the Arcade Bank of Providence, Rhode Island; the Farmers' and Merchants' Bank, at Hartford, Connecticut; the Union Bank of Louisiana, at New Orleans; and the Commercial Bank, at New Orleans."

In the first class of these letters Mr. Taney, as we have already seen, says:

"The depositors of the public money will enable you to afford increased facilities to commerce and to extend your accommodations to individuals; and, as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred in the additional accommodations which the public deposits will enable your institution to give, whenever it can be done without injustice to the claims of other classes of the community."

And in the second class of these letters the same Secretary says:

"The depositors of the public money will enable you to afford increased facilities to the commercial and other classes of the community, and the Department anticipates from you the adoption of such a course, respecting your accommodations, as will prove acceptable to the People, and safe to the Government."

Thus we have seen, not only an official permission, but an absolute command issued from the Treasury Department, under General Jackson's Administration, requiring the deposit banks, throughout the whole country, "to increase the facilities to commerce," and "to extend their accommodations to individuals," by discounting on the public money! How do these official orders and documents compare with Mr. Secretary Woodbury's report on the finances, December, 1833, where, in urging another new plan upon the country, he says:

"The change, so far as it respects the mere collecting and disbursing officers, will have a decisive tendency to preserve, not only the Government, but them and their securities, from those losses, which it was never contemplated they should hazard, by making loans or speculations with funds held in sacred trust for purposes entirely public in their character and constant in their demands."

"Who shall decide when doctors disagree?" We find Messrs. Taney and Woodbury, both of the same party, each a follower of General Jackson, in succession holding the same office in his Cabinet; but their official papers will never be reconciled. A question may, however, be justly

put to Mr. Woodbury: Was he not a member of General Jackson's Cabinet at the date of these official papers issued from the Treasury Department by Mr. Taney? and did he not consent to them? Mr. Woodbury will be obliged to answer in the affirmative; and I will only add that, in these documents, another illustration is furnished of the discrepancy between the professions and practice of the Administration. But still further documentary evidence is found to prove that General Jackson's Administration actually lent the public money, in discounts, at the State banks.

Another reference is now necessary to Mr. Kendall's report. One of the obstacles which presented itself in his arrangement for transferring the public deposits to the State banks, grew out of some apprehension that they might not be able to transfer the moneys free of expense at the various points where the Government might need it, as the Bank of the United States had done. This obstacle seemed to increase, too, in the fear that the Banks of the United States might refuse to redeem, in the large cities, their branch notes paid in for revenue, and deposited in the State banks. But at length Mr. Kendall, in his cunning, (as he thought at the time, but which the sequel proved to be a great error), devised a plan in connexion with the State banks, by which it was to be most unjustly attempted to compel the Bank of the United States to transfer the public moneys as the Government desired, without obtaining the discount which the Government was to pay the public depository. This sage plan is thus described by Mr. Kendall in his report. He there says:

"As soon as they have received a quantity of branch paper, they will demand that the Bank of the United States shall place the Government funds represented by it in the places where they may be wanted; and if, as they anticipate, this shall be declined, they will proceed to cash the paper with all possible expedition. In that event, they believe the Bank of the United States will be compelled, as the only means of saving their interior branches from ruin, to place the funds wherever they may be required. In a contest with the Bank of the United States, they will require little or nothing of the Treasury."

Did this scheme, unjust as it was, succeed? No: far from it. The State banks enlarged their discounts, under orders from the Secretary of the Treasury, and the Bank of the United States, in the course of its business, actually received more of the notes of the deposit banks than they could use for the notes of that institution for their branches. And very soon the depository banks began to feel they would be obliged to pay the Bank of the United States considerable balances in specie. The grand scheme to compel the bank to transfer the public moneys vanished! And the very Administration that now complains of excessive bank issues, and goes for a hard money currency, then censured the Bank of the United States for desiring the payment of balances from the depository banks, which would have been a means of a wholesome restraint on the line of discounts! But, in order to sustain the deposit banks in their increased discounts and accommodations, the Treasury Department actually gave checks for large amounts of the public money on deposit in the Bank of the United States, and placed the same in the depository banks. The sums thus lent were as follows: One hundred thousand dollars to the Union Bank of Maryland, in Baltimore; five hundred thousand dollars to the Girard Bank, at Philadelphia; five hundred thousand dollars to the Bank of America; a similar sum to the Mechanics' Bank; and a similar sum to the Manhattan Bank—all in New-York. Thus making upwards of two millions of the public money lent by the Treasury in drafts on the Bank of the United States, independent of the permission and order, before read, to discount on the current and accruing revenues of the Government.

The letters of Mr. Taney, transmitting the drafts for these several sums of money, may all be found in Senate documents, 1st session, 23d Congress, 1st vol., doc. No. 16, pages 331 and 330; where may also be seen several letters from the officers of these banks to Mr. Taney, assuring him that they had contributed to the relief of the community by discounting their discounts in accordance with his wishes. In one of these letters, Mr. George Newbold, President of the Bank of North America, New-York, says:

"The extension of our loans we have considered a point of duty, and not to be avoided with propriety, under the circumstances; and being furnished by you with the means of protecting, in the meantime, the city banks, and the community, in case of need, we have been enabled to perform that duty without apprehension of injury."

I leave this part of the subject, and submit it to the committee and to the country if my proposition, that the Administration authorized the lending of the public money, has not been fully established.

I will again call the attention of the committee to the fact that the Administration first commanded the State banks as worthy of all confidence, and then determined to prostrate them. To accomplish this first and then the other of these purposes, Mr. Levi Woodbury, the Secretary of the Treasury, has been a leading agent and instrument. He writes in their favor and against them with equal readiness and facility. He never wants facts to prove them superior as public depositories to individual agents; and is equally prepared to prove the converse of this proposition, if the interest of his party require it. The chairman of the Committee of Ways and Means (Mr. Jones), has told us that he justified himself in sustaining the bill now proposed to be passed, authorizing the issue of Treasury notes, by looking, in the formation of his opinion, "to the Secretary of the Treasury, (Mr. Woodbury,) whose position enables him to possess more correct information than almost any other man. The whole subject is before him. Every avenue of information is accessible to him, and he has the means of knowing the truth." This Woodbury did not make such contradictory reports upon the same subject matter. But his official communications are so contradictory and inconsistent that I cannot rely upon any of them. I will now en-

deavor to prove this to be true. In a previous part of my remarks it will be remembered that I alluded to a special report made to Congress on the 12th December, 1834, and said I would recur to it again, and examine it more at large. This I propose now to do. The State banks had just then been revealed as the depositories of the public money, and the Administration desired to commend them to the country as safe and worthy of all confidence. Mr. Woodbury was not satisfied with an honorable mention of them in his regular annual report on the finances, but in that report promised a special communication, devoted entirely to that subject. This special report was made on the 12th December, 1834, and may be found in Senate documents, 2nd session, 32nd Congress, vol. 2, no. 13. I now intend to read from it. In his introductory remarks, Mr. Woodbury says:

"Considering the unusual excitement which has attended the measures and discussions of the past year, connected with the above subject, [the deposit of the public money,] it would probably be deemed a neglect or an evasion of proper responsibility if the undersigned did not submit full information concerning a measure where our revenue is now deposited, and hence the propriety of the system by which the selection of them by this Department is justified: the mode in which the existing system for the preservation and disbursement of the public money has been found to operate; and the advantages and disadvantages which are likely to result from a return to any former one, or from the adoption of any proposed improvements in the existing system."

It will be thus seen that Mr. Woodbury professed to report on the State bank system in regard to the deposit of the public money. And having, as he said, fully examined the whole subject, he comes to the conclusion that that system has proved to be and is superior and more trustworthy than the agency of the Bank of the United States, or individual agents.

I will now read from his report. After suggesting some difference in favor of the State banks over that of the agency of the United States Bank, Mr. Woodbury says:

"Considering these differences, coupled with the fact that the selected banks, without disparagement to others, are or ought to be chosen from the most flourishing and secure; that they can be changed whenever any circumstances may indicate a change to be prudent, and that collateral security can be required whenever the deposits is so large as to seem to render it judicious; that the Government possesses advantages superior in case of its embarrasment, and that the whole capital stock must be lost before the deposit debt will become desperate, there certainly can be no very disadvantageous comparison in theory between the safety of the Government under the present rather than under the former system."

The losses which have formerly been sustained by the General Government, through the failure of certain State banks, selected, according to the impressions of many persons, principally, if not entirely, between 1811 and 1816, or between the expiration of the old and the passage of the new charter of the United States Bank, have been frequently adduced as objections to the safety of the present system; and, without some detailed examination and careful discrimination, are, it is freely admitted, calculated to awaken some doubt as to its ultimate practical security. But it is a memorable fact connected with this inquiry, though often represented otherwise, that a single selected State bank failed between the expiration of the old charter and the grant of the new one; and that none of our losses, included in our unavailable funds, happened until some time in 1817, after the United States Bank was in operation. Turn, with the aid of the history of the business of the bank, and the various causes, and, probably, by numerous causes combined, it appears, from a careful analysis of the unavailable funds which we now have and formerly had on hand, that some of the selected banks became embarrassed."

Mr. Benn said he would contrast various passages found in the several reports made to Congress by Mr. Woodbury, on the comparative advantages and losses to the Government in the use of State banks instead of individuals as depositories of the public money. Three reports had been made by him, perhaps more; but three of them would now be used: the one before referred to, dated 12th December, 1834; another dated the 27th February, 1836, being doc. no. 191, in vol. 7, House of Representatives, 34 session, 35th Congress. The third dated the 9th day of December, 1830, being doc. no. 10, House of Representatives, of the present session, and to which special reference is made in the annual report (of the same Secretary,) on the finances at this session. In the report of 12th December, 1834, Mr. Woodbury says:

"But it is a memorable fact connected with this inquiry, though often represented otherwise, that not a single selected State bank failed between the expiration of the old charter (of the Bank of the United States), and the grant of the new one (the 27th February, 1836), and that none of our losses included in our unavailable funds happened until some time in 1817, after the United States Bank was in operation."

Extract from Mr. Woodbury's report, December 12, 1834.

"Without reference to the actual injury and embarrasment, caused to our fiscal concerns, as well as to the community, at the time of the failure of the banks, or the payment by some of the State banks, it appears that the greatest losses by public depositories and by unavailable funds of any kind occurred among the State banks selected, not between 1811 and 1816, but before or afterwards, and in aid of the United States Bank."

In his report of 27th February, 1836, Mr. Woodbury says:

"The loss to the Treasury by taking depreciated notes, in 1814, '15, '16 and '17, is estimated at quite five millions five hundred thousand dollars; and there is now on hand of such notes then received and never paid, or collected, about eighty thousand dollars more, as fully detailed in a report to the Senate from this Department made the 1st instant."

Extract from Mr. Woodbury's report, December 9, 1836.—Table No. 3.

"Statement showing the amount of public money lost annually by using banks as depositories, and receiving their notes in payment of public dues."

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full control and influence of a national bank there as well as here, four of the number have since discharged all their liabilities, and the liabilities of all the others as deposite banks, in the manner before estimated, is less than \$35,000. This is not the title of the sum which has frequently been lost to the Treasury by the failure of individual merchants to discharge only their obligations for imports; but equal to the sum frequently lost by the failure of many single discharging agents connected with the different departments of the Government, and the failure of bonds for security. Whether they (losses by State banks) arose from an amount paid pursuant to the United States Bank, or from the remittance which, under the paper system, without legislation nor caution can always assert, or from less justifiable reasons and in spite of all the salutary influence the National Bank could exercise, it is a singular fact, in praise of this description of public depositories, the selected banks—but there is not more due on deposit in the whole of Ohio, which have ever stopped payment from the establishment of the Constitution to the present moment, a sum much beyond what is now due to the United States from one institution than that stopped payments in 1830 or less, and of whom special security was required, and supposed to be taken, under the responsibility of an oath. If we include the whole pie-*o*-*u*-*u* due to the Government from discredited banks at all times, and of all kinds, whether as depositories or not, and embrace even counterfeit bills, and every other species of unavailable funds in the Treasury, they will not exceed what is due from two hundred banks, not depositories, which, during all our wars and commercial embargos, have heretofore failed. In any part of the Treasury, is due to the Government, on their bills or otherwise, it will be seen by the above table (sanctioned to the extent) that the loss, except in the Treasury, have averaged every thing which they owed, and that the balance due from them, without interest, is less than \$25,000.

I am constrained to make a few comments on these inconsistent, if not flatly contradictory reports of Mr. Woodbury.

If Mr. Woodbury's reports in February, 1833, and December, 1833, are true, then he was guilty of a culpable omission in his report of the 12th of December, 1834. This last mentioned paper was designed to sustain the President in adopting State banks as depositories of the public money. It was then necessary to prove that, in the use of this class of agents by the Government, less had been lost than by the employment of individual agents. He professed to have scrutinized the whole system, and comes to the conclusion just mentioned. If the Government had, before that time, lost five million five hundred thousand dollars by the depreciation of bank notes, why did he suppress the fact?

In his report of December, 1834, as we have already seen, he says, "It is gratifying to reflect, however, that the credit given by the Government, whether to BANK PAPER or bank agents, has been accompanied by smaller losses in the experience under the system of State banks in this country at their own request, than under their several calamities, than any other kind of credit the Government has ever given in relation to its pecuniary transactions." And in another part of that same report, Mr. Woodbury says, "If we include the whole present dues to the Government from discredited banks at all times and of all kinds, whether as depositories or not, and embrace counterfeit bills and every other species of unavailable funds in the Treasury, they will not exceed what is due from two such firms (alluding to the loss the Government had met with in the case of an individual debt. Here, then, we see the Secretary speak of losses "whether by bank paper or bank agents"—of losses by "discredited banks at all times and of all kinds, whether as depositories or not, and embrace even counterfeit bills. He goes into all these details; mentions item for item, but omits the small amount of five million five hundred thousand dollars of loss by the depreciation of bank notes.

If this loss was in truth sustained, it was as well known to Mr. Woodbury in December, 1834, as in February, 1833, or December, 1830. In these latter reports, he is devoting himself to *writing down* the State banks, and *writing up* the Sub-Treasury plan. And we now hear him report in February, 1833, "that the losses sustained by banks as depositories (during the same period included in his report of December, 1834,) to be about one million of dollars, and the loss by taking such notes about five million five hundred thousand dollars; making in the aggregate six million five hundred thousand dollars." And he adds, "If interest was cast on the above sums, the aggregate would exceed thirteen millions of dollars." And again, in his report of December 9, 1830, referring to these same losses, "the interest *legally* due," and "would obviously double or treble the amount of many of them happening in the more remote periods." In what way, then, can Mr. Woodbury account for this glaring discrepancy in his several reports? It is in vain for him to say that in the one he spoke of losses and depreciated bank notes, and not in the others. His report of December 1834, professes to "analyze every deposit of the public money, whether by depositories of bank paper," or even "counterfeit bills." And his object was or should have been honestly to consider and report every element of loss, direct or indirect, which tended in any way to

be lost, adding thereto the estimated loss that has accrued by taking on public account depreciated bank notes. I would observe that it is computed from balance, so lost, including the same period of time referred to in the special report of December, 12, 1834, and that the aggregate of losses sustained by banks about one million of dollars, and the loss by taking such notes about five million five hundred thousand dollars; making, in the aggregate, six million five hundred thousand dollars. This is without the addition of any interest, as are the subsequent statements. If interest were cast on the above sums, the aggregate would exceed thirteen millions of dollars."

illustrate to the people the advantages or disadvantages of the State bank system. If then, it is true, as he says now in his report of December, 1839, that even the *interest* on this alleged loss of five million five hundred thousand dollars "is *legally and equitably due*" to the Government, I again ask, how can his omission to notice the loss of the principal sum in December, 1834, be reconciled to just integrity and official candor? It is clear that the truth has been suppressed at the one time, or a falsehood is suggested at the other! This alternative seems unavoidable, and the Secretary is at liberty to make his election.

Mr. BOND said it would not be inappropriate here to state another instance to prove that the documents, coming from the Treasury Department, were not to be relied on.

It will be remembered that Mr. Woodbury, at the 1st session of the 25th Congress, sent a document to this House, purporting to contain the correspondence of the Treasury Department with the various receivers of the public moneys, and in which many delinquencies among this class of agents were specified. In that document is found a letter addressed to the receiver of public money at Chillicothe, Ohio, charging that officer with some omission of his duty. Feeling it my duty to submit this document to my constituents at some time in the summer of 1836, when I held a public meeting of the people in the county of my residence, I called their attention to many of the letters, and particularly to the one already alluded to, addressed to the receiver at Chillicothe. The election for members of Congress and of the General Assembly was then coming on in Ohio, and as the contest between a war warm, a letter was printed by the receiver, and was given to the chief clerk of the Treasury Department, saying that the communication found in the aforesaid document, addressed to the receiver at Chillicothe, was not intended for him, but for another receiver! Immediately after this announcement, the whole affair was charged by the Van Buren party to be false; and I could never afterwards prevail on a single member of that party to listen to any part of that document, though sent to Congress by Mr. Woodbury under the official sanction of an oath, and by that body ordered to be printed. Other documents are at hand from that same Department, in which gross errors are found. But, leaving them for some other occasion, I will again proceed to contrast certain other parts of Mr. Woodbury's report of the 12th of December, 1834, with his annual report to the Finance Committee, December 1838. In the former, it will be found, he condemns the system of individual depositories for the public money, as the Sub-Treasury plan, and at present, when it is the wish, if not the interest, of the Administration to sustain that system, he gives it a decided preference. Let us now read from each report:

Extract from Mr. Woodbury's report, 12th December, 1834.

"In considering their (the State banks) safety it should be constantly recollected that the owners and managers of banks, when properly regulated by legislative provisions in their charters, are, like other individuals, in no manner exempted from the desire of making and not losing money; and that these desires, when not checked by the laws of the State, belonging to depositors and holders of their bills or stockholders, united with the security if not the priority given to the Government, render them, in point of interest, generally much superior to individual agents of the United States."

"Hence, unless the States and the United States should both deplete it proper gradually, and, in the end, to discontinue the system, the Government, in any event is not anticipated, the Government cannot escape occasional losses from that quarter, and can never hope to escape all losses from banks as fiscal agents, except by the employment in their place of other and individual agents, who will probably be more honest, less responsible, safe, convenient, and economical."

If one can be justified at any time in relying on the political opinions of Amos Kendall, I will now give his opinion in 1834, in favor of the system of deposit banks, over that of an individual agency in the management of the public money; that is, the sub-Treasury plan. In his report already referred to, he says:

"When it is seen that the managers of the State banks are willing to pledge not only the capital of those institutions, but their own property and character, it will be impossible to doubt that the deposits are as safe in their keeping as human agency can make it."

At one time, Mr. Woodbury reports the loss by individual collecting officers to be from \$300,000 to \$1,300,000; and at another time, reports the same class of losses for the same time as not much exceeding \$80,000,000. This may be seen on reference to his report of the 9th of February, 1835, and that of the 9th of December, 1833, as well as in his last annual report on the finances. But must be remembered that in none of these reports does he include the great loss sustained by the Government in the defalcation and fraud of Samuel Swartwout, the collector of the revenue in the city of New-York, an officer appointed by General Jackson, and continued in office by Mr. Van Buren.

This single defalcation stands on one hundred and twenty-five thousand dollars! Nor does he include the defalcation of Price, another of Mr. Van Buren's friends, who held the office of district attorney in the southern district of New-York, whose defalcation is not yet fully developed, but is supposed to be fifty thousand dollars! And to these may be added a long list of defalcating and office receivers and other collecting agents of the Government,

Extract from Mr. Woodbury's report on the Finances, December, 1838.

"But the proposed plan of an independent Treasury, with all its checks and guards, will diminish the number of risks, and tend, in several respects, to strengthen the public security. By requiring the officers now employed in collections to hold most of the money for a time in depositories, it extends only a part of the agents under the charge of the former system, and, consequently, the number of the latter, and, consequently, the number of the banks, unless they may be so far as to be strictly supervised, avoids most if not all the risks and losses which have been sustained by that class of agents."

"On the whole, it is apparent that the system of an Independent Treasury is more plain and simple in its arrangements than the present system, and is much more in accord with that originally in use after the adoption of the Constitution, and is therefore free from the same dangers, and, under the additional guards and restrictions proposed, is likely to unite all attainable security with efficiency and purity in the custody of the public funds."

than \$900,000. It would perhaps be attempted to justify Mr. Woodbury in his gross discrepancies by using the fact that the Treasury had, on the 9th December, 1833, viz: "The losses by depreciated paper of the banks do not appear at all on the Treasury books, but are given from computations made by the Department." If Mr. Woodbury could find any data, not on his official books, on which to rest his case, he would have to go to the Treasury, and there he would find the same materials in millions of dollars in 1839, and in 1840, and in 1841, and in 1842, and in 1843, and in 1844, and in 1845, and in 1846, and in 1847, and in 1848, and in 1849, and in 1850, and in 1851, and in 1852, and in 1853, and in 1854, and in 1855, and in 1856, and in 1857, and in 1858, and in 1859, and in 1860, and in 1861, and in 1862, and in 1863, and in 1864, and in 1865, and in 1866, and in 1867, and in 1868, and in 1869, and in 1870, and in 1871, and in 1872, and in 1873, and in 1874, and in 1875, and in 1876, and in 1877, and in 1878, and in 1879, and in 1880, and in 1881, and in 1882, and in 1883, and in 1884, and in 1885, and in 1886, and in 1887, and in 1888, and in 1889, and in 1890, and in 1891, and in 1892, and in 1893, and in 1894, and in 1895, and in 1896, and in 1897, and in 1898, and in 1899, and in 1900, and 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Let us, then, take the amount of loss incident to the use of State banks as depositories for the ordinary expenses, at their par value.

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Losses by collectors of the customs,.....	\$1,198,979 91
Do. do. of internal revenue, &c.,.....	442,265 76
Do. by receivers of land sales,.....	397,304 14
<b>Total</b> .....	<b>\$2,038,549 81</b>

Total losses by collecting officers,.....	
Losses by disbursing officers, viz:	
In civil department,.....	\$898,023 59
In military and naval do.....	4,058 549 97

Total losses by disbursing officers,.....	4,966,573 56
To these I will add the losses by S. Swartwood, collector at New York, appointed	
to receive the back-tacks and continued by Mr. Van Buren,.....	1,235,000 00
Supposed loss by Mr. Price, District Attorney at New-York, appointed as above,	50,000 00
Total loss by individual agents,.....	\$8,270,123 37
Amount of loss by the bank, according to Mr. Woodbury's report, 12th December,	
1834, giving the credit of \$300,000 recently reported by him,.....	857,890 80
	\$7,412,233 56

It thus appears that the Government has actually lost \$7,412,232 <sup>52</sup> more by individual than by bank agency! And if you add the losses by the Government on individual bonds for the public revenue, stated by Mr. Woodbury in his last annual report on the finances at \$7,500,000, it will

appear that the total loss sustained by the Government, in individual agency credit, exceeds the loss by banks \$14,300,000. To this, too, may be added other losses by land office receivers, little by little, hitherto and not yet specified in detail, but exceeding, together, \$100,000, and making a grand total of losses by the Government, in the aggregate, of \$14,400,000.

As has been pointed out by Mr. Woodbury, not only show the aggregate result just mentioned, but, by his official documents, it is manifest that the losses have been less by banks than by collectors. They have been less by banks than by collectors of internal revenue and receivers of land offices. They have been less by banks than by collectors of customs and excise. They have been less by banks than by disbursing agents in the military and naval branches of service, separately or jointly. They have been less by banks than by individuals on their bonds for the payment of the revenue duties. And if you will credit the State banks with the amount of \$1,100,000 and open up the accounts of the Treasury Department, the stock of the bank of the United States, then the public loss has been sustained by the banking system.

I must call the attention of the committee and of the country to an important fact. In this effort of Mr. Woodbury to prove that greater losses have been sustained by the use of State banks than in the employment of individual agencies, (and in which, by the way, he has been signally mistaken,) he has been obliged to resort to the use of a national bank. For two terms, of twenty years each, making an aggregate of forty out of the fifty years, the entire age of our Government, we employed a national bank. During each of these periods, every year, the entire revenue of the Government, the sum of \$10,000,000, or thereabouts, amount of its revenue, being several hundred millions of dollars, deposited in this national institution, was again paid out on demand wherever wanted, and without the loss of a single cent. And, in the mean time, the Government was making a profit of more than \$1,100,000 by the sale of the stock which it held in that bank. But on these occasions when we have attempted to dispense with such an institution, the currency and exchange have become disorderly and irregular, and heavy losses have followed, to the common inconvenience, and even with some loss of life, and ruin of property.

[illegible]

<sup>11</sup> "All the work of the last session to create the surplus was distinctly seen by the country; every body knew that every branch of the public service was suffering for money, and clerks raising money at outrageous interest to live on, and officers raising money on their own credit, while the two Houses of Congress resounded with the cry of surplus millions, and so many labored to stave off, cut down, and defeat appropriations, in order to create surplus for distribution."<sup>11</sup>

After this, let us hear no more of the appropriations by Congress not being the work of the Administration. We are charged, when a particular end is to be attained, with striving to "stay" off, cut down, and defeat appropriations." And, again, if the Administration wish to avoid all responsibility, they instantly change front, and declare that we passed all these extravagant appropriations. I have too much confidence in the good sense of the American people to suppose that they can be gulled by this shallow artifice. These chameleon changes of Mr. Van Buren and his friends must soon lose their magic deception.



I will not detain the committee by going into all the details of these extravagant expenditures, but will name one or two which have recently attracted my notice. The Secretary of the Treasury sent us a document, No. 17 of the present session, giving "the sums annually paid under each material head of expenditure," for the years 1835 to 1838, inclusive. He there states the contingent expenses of the Senate paid in the year 1838, to be \$137,823 10. A similar communication, embracing a detail of the annual expenditures of the Government from the 1st of January, 1817, to the 31st of December, 1834, was made to Congress by this same Secretary on the 4th January, 1836, and constitutes document No. 30 of this House, in the 1st session of the 24th Congress. I am thus particular in referring to these documents, because I intend to contrast a few of the expenditures in Mr. Adams's Administration with those under Mr. Van Buren. The materials for the comparison will be taken entirely from these documents, furnished under the official sanction of the present and past Administrations, by the same Executive officer.

By document No. 17 already mentioned, Mr. Woodbury states the amount paid in 1838, for the contingent expenses of the Senate, at..... \$137,823 10  
By document No. 30, before mentioned, he states the amount paid for the contingent expenses of the Senate in 1838, at..... 41,000 00

Thus exhibiting an excess of..... \$86,620 10  
in one single item of expenditure in the second year of Mr. Van Buren's *professed economical* Administration beyond the amount of expenditure for the same item in the last year of Mr. Adams's alleged extravagant Administration.

Again. The contingent expenses of the Senate, as before stated from Mr. Woodbury's document No. 17, for 1838, are..... \$137,823 10  
The contingent expenses of the Senate, as stated in his document No. 30, for the years 1835, 1836, 1837, and 1838, are..... 103,295 17

Excess..... \$24,527 93

Thus proving that, under Mr. Van Buren's Administration, the Senate, with a large and decided majority in the body in favor of his Administration, paid for their contingent expenses in one year, (1838,) the sum of \$24,527 93 more than was paid for the same item in that body during the whole four years of Mr. Adams's Administration.

In document No 17, Mr. Woodbury states the amount paid in 1835, for the contingent expenses of the House of Representatives, at..... \$199,950 00  
In document No. 39, he states the amount paid for the same item in 1835, at..... 54,500 00

Excess against the Administration in one year..... \$145,450 00

In document No. 17, contingent expenses of the House for 1836, are stated at..... \$200,000 00

In document No. 39, same item for 1836..... 59,000 00

Excess against the Administration..... \$141,000 00

In document No. 17, contingent expenses of the House for the year 1837 are stated at..... \$225,000 00

In document No. 39, same item for 1837..... 90,735 12

Excess against the Administration..... \$134,264 88

In document No. 17, contingent expenses of the House for the year 1838 are stated at..... \$273,960 00

In document 39, same item for 1838..... 50,000 00

Excess against the Administration in one year..... \$223,960 00

In document No. 17, contingent expenses of the House for 1838 are stated at..... \$273,960 00

In document No. 39, same item for 1835, 1836, 1837, and 1838, four years together, stated at..... 284,235 12

Excess..... \$39,724 88

Again proving that, under Mr. Van Buren's Administration, the House of Representatives, with a majority of the friends of the President so large that they elected their Speaker (Mr. Polk) on the first ballot paid in one year, for their contingent expenses, the sum of \$39,724 88 more than was paid for the same item in that body throughout the entire four years of Mr. Adams's administration!

In looking after some of the items of these contingent expenses, Mr. Bove said he turned his attention to the Official Register, commonly called the Blue Book, recently laid upon the tables of members. This book is printed under the direction of the Secretary of State, and is designed by Congress to afford correct and reliable information to the people in relation to the public service. It is on the official documents from the Treasury Department. Indeed, I am now beginning to suspect almost every official communication that comes to us. This Blue Book purports to give information in matters connected with its contents, for the term of two years. In the item of printing for Congress, say from October 1837, to October 1839, the whole amount there stated as paid to Blair and Rives, as printers to the Senate, is \$19,591 80. This is a gross error—whether designed or inadvertent, is immaterial; it proves that this official volume, sent to us by the Secretary of State, cannot be relied on. On referring to document No. 17 of this House at the present session, it appears that \$51,883 94 was paid for the printing of the Senate in 1838. This sum, then, for one year of that very time included in the statement of the Blue Book, is largely more than double the amount there stated as paid for a period of two years. How much more than \$51,000 was paid Blair and Rives during the time, I have not inquired; probably near another \$50,000. But the sum, in an official document, is reduced down to \$19,591 80, and so goes forth to the country. However, even with this suppression, or error, if it be such, this Blue Book contains a sufficient display of Executive patronage to call public attention to the source of alarm. You may there see the numerous and large sums of money paid by Mr. Amos Kendall, the chief of the Post Office Department, to the various newspaper publishers throughout the United States, who are daily advocating the cause of the Administration, by casting the vilest calumny and grossest personal abuse upon every one who happens to question any of the measures of Mr. Van Buren and his followers. Many instances could be designated, but I will content myself by naming one in my own State, (Ohio.) This volume, no doubt, furnishes similar instances in other States. The Blue Book exhibits different sums of money paid by Mr. Kendall, in the course of the two years ending in October last, to Medary & Brothers, amounting to very near ten thousand dollars. If I have made no error in the addition, the exact sum is \$9,548 21. These individuals publish a paper called the Ohio Statesman, the leading Administration journal in the State, in which, I will venture to assert, there is generally contained as much vile abuse and personal calumny of the members of the Administration as can be printed on the dirty sheet which they issue. They are paid both by the General Government and State administration. How it happens that Mr. Kendall has so much work for printers at the seat of Government in Ohio, I know not. But the publishers of the Statesman can perhaps tell. They are in the enjoyment of the patronage, and more. The Administration party being in power in Ohio the past winter conferred upon these same individuals, or on one of them, the office of State printers, without reducing the price of the work, when, at the very moment, several responsible practical printers expressly offered to do the same work at rates varying from 15 to 20 per cent less than then allowed the publishers of the Statesman. We have had a similar scene in this House this session. The friends of the Administration, both here and in Ohio, suffered an opportunity to escape by which large sums of money might have been saved; and I am sure that both our National and State Treasuries need relief.

Since retrenchment and reform seem not to be practised by Mr. Van Buren and his friends, whatever may have been the professions of the party, let me suggest to the measure of relief suggested by them! The only one which I have heard of is the bill establishing a sub-Treasury. And in this indeed a measure to heal our ills and relieve the wants of the people! A measure which has strangely united certain politicians, heretofore openly discordant and hostile. We find Mr. Van Buren recommending and Mr. Calhoun sustaining it. Their political relations are too well understood to require any illustration at my hands. Let us hear what the official organ (the Globe) said of Mr. Calhoun when he was resigning Executive power. The article appears in the Globe of the 30th January, 1834, and that paper speaks the language of the Court. It is in these words:

"NOLLIER.—We have seen a caricature in which Mr. Calhoun is designated by a label 'Nolle fide.' It points out an apt description for the party name with which he has distinguished his partisans. In plain English, it would warn us that 'no trust' is to be reposed in the wearer of the label. Certainly no man ever sullied truth with so little remorse as Mr. Calhoun. A thousand instances could be given; but a particular instance in which he distinguished himself by an unusual pertinacity in pressing a statement which he knew to be untrue, will be given."

"The instance is then given, but the parties, now warm friends, must decide upon its justice. Again: In the Globe of the 31st of August, 1835, the following editorial remark is found, viz:

"Mr. Calhoun, who never told the truth when a falsehood would serve his turn."

Having thus shown what the Administration organ said of Mr. Calhoun, let us state the account *per contra*, and see what Mr. Calhoun said of Mr. Van Buren. In a debate which happened in the Senate, whilst Mr. Van Buren was its presiding officer. Mr. Calhoun said:

"General Jackson would soon be out of power, and the Administration that may succeed him could not keep the South divided. He would tell the coming Administration to beware. If there be any who expected the President's nomination (Mr. Van Buren) could successfully play the game which he has, he would be woefully mistaken. With all his objections to the President, he (Mr. Calhoun) would not deny him many high qualities; he had courage and firmness; was bold, warlike, audacious, though not true to his word or faithful to his pledges. He had, besides, done the State some service; he terminated the late war gloriously at New-Orleans, which has been recommended greatly to his advantage. His nominee (Mr. Van Buren) had none of these recommenda-

sons; he is not of the race of the lion or the tiger; he belonged to a lower order—the fox and the weasel, and it would be in vain to expect that he could command the respect or acquire the confidence of those who had no little admiration for the qualities by which he was distinguished. By his dexterous use of patronage, for which he and his party were so distinguished, an individual has been there, and who preferred himself to the country, might be enlisted; but the great mass—all that were independent and sound in the South—would be finally opposed to him and his system."

Mr. Benton said he thought there was a great deal of truth in this paragraph; and he would leave it to those to say whether Mr. Calhoun had not himself furnished an illustration of his own prophecy. I do not know (said he) what estimate Messrs. Van Buren and Calhoun intended the public should place on their mutual illustrations of character, but it is now certain that neither has taken any personal offence at what was said by one of the other. It is understood that "Monroe and Capulet have shook hands." "Good Heavens! what sweet temper politicians have!"

The country, however, may well be alarmed; for out of this union the sub-Treasury has grown. It is not the first time that the union of discordant matters has produced a monster in the world.

By means of this union we are to have the happy privilege of paying up all taxes and revenue to the General Government in hard money! And is this hard-money currency, which has oppressed the farmer, the mechanic, and the laborer of the old world wherever it has prevailed, proposed for the people of this country in their daily and common transactions? Yes sir, even so; to this Administration has it come at last. Let the country hear Mr. Benton speak the sentiments of the Administration on this subject and submit. He says, "Gold is the constitutional national currency of the United States, and all attempts to substitute paper in its place are unconstitutional and void."

At the same time he proclaimed that, "After forty years of wandering in the wilderness of paper money, we have approached the confines of the constitutional currency," which he held to be gold.

Let us see (said Mr. Bond) what effect this hard money system has on the wages of labor in France, the nation whose currency Mr. Benton so much approves, and desires this country to adopt. Recent works on the subject thus state the wages in France:

"Wages in France.—Calais, common laborers 7½d. per day, with board and without dwelling; Boulogne, 5d. per day do. do.; Nantes, 8d. per day, without board and without dwelling; Marseilles, 4d. to 7d. per day, with board and without dwelling. The food in some districts, 'consists in rye bread, soup made of millet, cakes made of Indian corn, and then some salt provisions and vegetables: rarely, if ever, butcher's meat.' In others 'wheat bread, soup made with vegetables, and a little grease or lard twice a day, potatoes or other vegetables, but seldom butcher's meat.'"

And this same depressed state of labor pervades every other part of the known world in this hard-money currency holds the sway.

To this I will add a passage, for which I am indebted to the instructive report prepared by the worthy, accomplished, and intelligent gentleman from Pennsylvania, (Mr. SERGEANT), when a member of the Committee of Ways and Means:

"As to fluctuations in price, they were far greater in former times, when there was nothing depriving the name of commerce, no credit, and a currency entirely of gold and silver, than they have since been. And they were infinitely more distressing; for they fell directly, and with all their weight, upon the necessities of life. From a table compiled by Mr. Jacob, in his 'Inquiry into the Production and Consumption of the Precious Metals,' it appears that the variations in England were such as to produce intense suffering. In the 12th century, the price of wheat varied from 2s. a quarter (money of that time) 6d. to 18s. 8d. In the 13th century, it varied from 1s. 6d. in 1213, to 1s. 4s. in 1267. In 1268, it rose to 2l.; 'a great famine,' Jacob says, 'when many people were starved.' In 1270, it rose to 1d. 16d.—'a famine,' it is added, 'when provisions were so scarce that parents did eat their own children,' and sometimes was sold at 6s. 8d. In 1388, it was down to a 6d.; and in 1289, to 1s. 4d. and 1s. 8d. In 1317, it was at 2l. 4s. before harvest, and after harvest at 14s. In 1557, before harvest, the price was 21. 13s. 4d., and after harvest 5s. Mr. Jacob very well remarks that 'the instances of the variations in prices which are recorded in former times will excite surprise in those readers who have not paid attention to the subject, and ought to make us all grateful to that Providence which has brought us into life in a period much less exposed to suffering than that in which our forefathers lived!'

"As commerce and credit have grown, the comforts of mankind have been in the same proportion increased. Crime and disorder have diminished, and the condition of all classes of society has been improved, but especially of the laboring classes. And hence also the average duration of life is greater than it was by some years. A summary comparison, collected from various authors, may be found in McCulloch's 'Statistics of the British Empire.' To suppose, then, that credit is evil, and to suppose that a currency entirely of gold and silver will be a security against fluctuations, is a great mistake. To propose to legislate and to act upon such a supposition, is to advise a retrograde movement towards barbarism and its hideous calamities. It cannot be necessary to argue against it. We ought rather to feel grateful, as Mr. Jacob suggests, that we have come into life in so good a period, and endeavor to preserve the blessings of civilization, commerce, and credit."

And yet, with all the experience and practical illustration of history before us, it is seriously proposed to legislate this nation into an exclusive hard-money currency, with all its 'barbarism and hideous calamities.'"

Will the freemen of this country sleep at such a crisis? Vigilance—eternal vigilance—is the price of liberty! We were in the full enjoyment of national and individual welfare at the moment when the jealousies of the people were most unjustly excited against those who administered our Government in 1838. At the instant when that same reformer, Mr. Buchanan, was engaged in exciting those jealousies and suspicions, he admitted the country to be prosperous and happy!

He (Mr. Buchanan) spoke of the money which then "flowed into the Treasury" without burdening the people; and he "admitted that the then Administration applied it correctly." But he said it was in just such times that the "republic is always most in danger."

"It is," said he, "in the halcyon days of peace and prosperity, when the jealousy of the people slumbers, that abuses are most likely to steal into the Administration of your Government. When the clouds of adversity are lowering over the country, and when direct taxation becomes necessary for the support of the Government, the People are watchful and jealous, and will then attend strictly to their own concerns."

Having warned the people not to delay their measures of reform in those their "halcyon days of peace and prosperity," he said:

"I thank Heaven that in these days a 'military chieftain' has arisen, whose name is familiar to the lips of even the most humble citizen of this country, because his services live in their hearts, who will be able, by the suffrages of the People, to wrest the power of this Government from the hands of its present possessors. No one else could at this time have successfully opposed the immense patronage and power of the Administration."

By these persuasions of Mr. Buchanan, and others combined with him, the people did "wrest the power of the Government from the hands of its (then) present possessors, and the 'military chieftain' alluded to was made President. But Mr. Van Buren became and continued his chief counsellor. And what have we realized? "It is the maxim of despots that the people 'should never involve into the concerns of the Government. Those who have enslaved mankind, 'from Omar to Bonaparte, have always endeavored, by presenting them with amusements, and 'by every other means in their power, to attract the attention of the people from the conduct of their rulers."

The money no longer "flows into our Treasury"; "the jealousy of the people has slumbered;" and at such a time "abuses are most likely to steal into the administration of your Government."

"The halcyon days of our peace and prosperity have past." "The clouds of adversity are lowering over the country," and Treasury notes are called for to avoid "direct taxation for the support of the Government." But, sir, in the day of adversity "the people consider." At such a season they are "watchful and jealous, and will then attend strictly to their own concerns."

"I thank Heaven that in these days" another "military chieftain has arisen," prudent in counsel and firm in purpose, who, to great, perilous, devoted, and patriotic services in war, add singular practical experience in the business of civil government; "one whose name is familiar to the lips of the most humble citizen of this country, because his services live in their hearts, and who will be able, by the suffrages of the people, to wrest the power of this Government from the hands of its present possessors. No one else could, at this time, have successfully opposed the immense patronage and power of this administration."

## REDUCTION OF WAGES.

### QUOTATIONS AND FACTS.

"REDUCE OUR NOMINAL TO THE REAL STANDARD OF PRICES THROUGHOUT THE WORLD, and you cover our country with blessings and benefits."—Mr. Buchanan's speech, Jan. 22.

"Articles are manufactured in France and Germany for one-half their actual cost in this country."—1b.

"It was but the other day that I saw an extract from an English paper which stated that whilst the cutlery manufactured in Germany was equal in quality with the British, it was so reduced in price, that the latter would have to abandon the manufacture altogether."—1b.

"To the Southern States—to the whole cotton, rice, tobacco, and sugar growing region—now so grievously afflicted with the curses of the paper system—to all this region I would say, study the financial history of Holland, France, and Cuba. Follow their example, emulate their solid currency. Imitate them."—Mr. Benton's speech, Jan. 16.

"To the other states I would say, do the like."—1b.

"The foreign manufacturer goes home, to increase his labor, his wool, and all other articles which enter into his manufacture, at HALF their cost in this country, and again returns to inundate us, &c."—Mr. Buchanan's speech, Jan. 22.

WAGES IN FRANCE.—Calais, common laborers 7½d., equal to 14 cents per day, with board.

BOULOGNE.—5d., equal to 10 cents per day.

NANTES.—5d., without board, equal to 14½ cents per day.

MARSEILLE.—4d. to 7d., with board, equal to 10 cents per day.

The food in some districts consists of rye bread, soup made of millet, cakes made of Indian corn, now and then some salt provisions and vegetables, rarely, if ever, butcher's meat. In others,

wheaten bread, soup made of vegetables, and a little grease or lard twice a day, potatoes or other vegetables, but seldom butcher's meat.

**SWEDEN**.—The daily wages of a skilful agriculturist are 7d. to 8d., equal to 14 cents, without board, while the unskilful earn no more than 3d. to 4d., equal to 6½ cents, and board themselves. Agriculturists in the southern provinces live on salt fish and potatoes; in the northern provinces, porridge and rye bread form their food.

**BAVARIA**.—Laborers are paid at the rate of 8d. per day, in the country, without board; equal to 14½ cents.

**BELGIUM**.—A skilful artisan may earn in summer 1s. 2d. to 1s. 5d., equal to 28 cents; in winter from 10s. to 1s. 2d., equal to 22 cents per day; unskilled, half as much, without board; live on rye bread, potatoes and milk. Agricultural laborers have less.

**GERMANY**.—DANTZIG.—Laborers 4s. to 7d. per day, without board, equal to 11 cents.

**MERCERBURG**.—7d. per day, without board, equal to 13 cents.

**HOLSTEIN**.—7d. per day, without board, equal to 13 cents.

**NEIHERLANDS**.—SOUTH HOLLAND.—Laborers 3d. to 4d. per day, with board, equal to 6½ cents.

**NORTH HOLLAND**.—20d. per day, without board, equal to 36 cents.

**ANTWERP**.—5d. per day, without board, equal to 9 cents.

**WEST FLANDERS**.—5d. per day, without board; equal to 9½d. 109 16.

**ITALY**.—TRIESTE.—12d. per day, without board; equal to 22 cents. Gd. per day with board; equal to 11 cents.

**LOMBARDY**.—4d. to 8d. per day, with board; equal to 11 cents.

**GENOVA**.—3d. to 5d. per day, with board; equal to 11½ cents.

**TURKEY**.—6d. per day, with board; equal to 11 cents.

It cannot be any longer doubted for whose benefit this federal measure was devised. It cannot but be seen that it is not for the People, but, as we have already more than once said, it is for the office holders. Sir, it should be daily and hourly repeated that it is for them that the public revenues are to be securely collected and safely kept. It is for them that the gold and silver is to be wrung from every class and every condition. It is for them that the "bolts and bars," the "vaults and vices" are declared to be the Treasury of the United States, regardless of the wants and wishes of the People.

Here is the key to the famous declaration of the Hon. Silas Wright, "let the Government take care of itself, and let the People take care of themselves," and also the key to the most astounding assertion of Mr. Van Buren in his special message of 1837, "that the People expect too much of the Government."

*Extract from John Davis' speech in the Senate of the United States, in reply to Mr. Buchanan of Pennsylvania, one of the most strenuous supporters of the administration of Mr. Van Buren and of the sub-treasury bill.*

I pass to another part of the printed speech, which I deem more material, as it relates to those matters which induced me chiefly to reply to him. The Senator said:

"Sir, I solemnly believe that if we could but reduce this inflated paper bubble to any thing like reasonable dimensions, New-England would become the most prosperous manufacturing country that the sun ever shone on. Why can not we manufacture goods, and especially cotton goods, which will go into successful competition with British manufactures in foreign markets? Have we not the necessary capital? Have we not the industry? Have we not the machinery? And, above all, are not our skill, energy and enterprise, proverbial throughout the world? Land is also cheaper here than in any other country on the face of the earth. We possess every advantage which Providence can bestow upon us, for the manufacture of cotton; but they are all counteracted by the folly of man. The raw material costs us less than it does the English, because this is an article, the price of which depends upon foreign markets, and is not regulated by our own inflated currency. We, therefore, save the freight of the cotton across the Atlantic, and that of the manufactured article on its return here. What is the reason that with all these advantages, and with the protective duties, which our laws afford to the domestic manufacturer for cotton, we can not obtain exclusive possession of the home market, and successfully contend for the markets of the world? It is simply because we manufacture at the nominal prices of our own inflated currency, and are compelled to sell at the real prices of other nations. Reduce our nominal to the real standard of prices throughout the world, [hard money,] and you cover our country with blessings and benefits. I wish to Heaven I could speak in a voice loud enough to be heard throughout New England; because, if the attention of the manufacturers could once be directed to the subject, their own intelligence and native sagacity would teach them how injuriously they are affected by our bloated banking and credit system, and would enable them to apply the proper corrective."

What is the reason that our manufactures have been able to sustain any sort of competition, even in the home market, with those of British origin? It is because England herself is, to a great extent, a paper money country, though, in this respect, not to be compared with our own. From this very cause, prices in England are much higher than prices in this country. The expense of living there is double what it costs in France. Hence, all the English who desire to nurse their fortunes by living cheaply, emigrate from their own country, to France, or some other portion of the continent. The comparative low prices of France and Germany have afforded such

a stimulus to their manufactures that they are now rapidly extending themselves, and would obtain possession, in no small degree, even of the English home market, if it were not for their protective duties. While British manufactures are now languishing, those of the continent are springing into a healthy and vigorous existence. It was but the other day that I saw an extract from an English paper, which stated that whilst the cutlery manufactured in France was equal in quality with the British, it was so reduced in price that the latter would have to abandon the manufacture altogether."

What do we gather from this? What is the obstacle to the success of the manufacturer in the opinion of the Senator? What prevents him from obtaining exclusive possession of our market, and sharing those of the world in the sale of his productions? It is the inflated paper bubble; it is "because we manufacture at the nominal prices of our own inflated currency, and are compelled to sell at the real prices of other nations." Such, in his view, is the cause of our embarrasments and failures in success. Now, Sir, what is the remedy proposed by the Senator? "Reduce (says he) our nominal to the real standard of prices throughout the world, and you cover our country with blessings and benefits." We are to take exclusive possession of our own market, and enter those of the world successfully, and by what process? By reducing the cost of our goods to the standard of prices throughout the world, by bringing wages down to what is those who manufacture cheapest, for by no other process can we enter the markets of the world in successful competition.

The Senator shows us that England is carrying on an unsuccessful competition, in the manufacture of cutlery with Germany, because of the paper money in England. Germany, he alleges, is a hard money country and the cost of production or wages is lower, and she therefore manufactures cheaper. Now, Sir, what is the standard of prices throughout the world? It must be a standard which will enable us to sell as low as others—to produce as low as the nation that produces lowest, or we can not get the exclusive possession of our own market, and enter the markets of the world in successful competition. We must go down to the wages of France, Germany, and other countries like them, our laborers, or those of England. If I can understand language, the paper bubble is to be reduced till this result is reached. The Senator says he is for a mixed currency, but goes for a reduction of it till it brings prices to this standard. Of what consequence is it. Mr. President, whether it shall be mixed or unmixed, hard money, or hard money and paper, if the reduction is to go on till this effect of coming down to the standard of prices throughout the world is produced? None whatever; and yet no confident is the Senator in the soundness of his policy, that he exhorts the manufacturers to take the corrective into their own hands, and to bring this result about; and yet he complains of me as representing him too much of a hard-money man. I supposed in all this the Senator looked really to hard money; but whether he did or not is of little consequence, as the effect on labor and business will be the same. I was led to this conclusion, for I thought he would not wish to be understood as viewing one currency as most useful to the manufacturers and another to the country. If there be confusion in the matter, I am not answerable for that, for I replied to such opinions as were advanced. It appeared to me that the confusion in the matter was the expansion of the currency, and I have remedy proposed a reduction to the standard of prices throughout the world. I know the Senator has spoken much of his friendship for laborers; but it is his practical views, policy, his means to be employed to secure prosperity, that I examined. I did not consider the part of his speech from which he has read, and considers the foundation of unjust remarks elsewhere, as an important or material portion of his reasoning. Such is the deception in the printed speech. It is before the world, and let them judge of it, and see whether I have brought the member nearer to being a friend of the hard-money system than he brings himself.

*Extracts from Carter and Stone's Reports of the Proceedings and Debates in the Convention of 1821, assembled for the purpose of amending the Constitution of the State of New-York.*

*Extract from proceedings of Thursday, September 27, 1821, page 277.*

#### RIGHT OF SUFFRAGE.

Mr. VAN BUREN felt himself called on to make a few remarks in reply to the gentleman from Delaware. He observed, that it was evident, and indeed some gentlemen did not seem disposed to disguise it, that the amendment proposed by the honorable gentleman from Delaware contemplated nothing short of universal suffrage. Mr. V. B. did not believe that there were twenty members of that committee, who, were the bare naked question of universal suffrage put to them, would vote in its favor; and he was very sure that its adoption was not expected, and would not meet the views of their constituents.

Mr. V. B. then replied to a statement made yesterday by his honorable and venerable friend from Erie, (Mr. Russell,) in relation to the exclusion of soldiers who had fought at Quebec and Stony Point under the banners of Montgomery and Wayne. And he felt the necessity of doing so, because such cases, urged by such gentlemen as his honorable friend, were calculated to make a deep and lasting impression. But although a regard for them did honor to that gentleman, yet it was the duty of the Convention to guard against the admission of those impressions which sympathy in individual cases may excite. It was always dangerous to legislate upon the impulse of individual cases, where the law about to be enacted is to have a general operation. With reference to the case of

our soldiers, the people of this State and country had certainly redeemed themselves from the imputation that republics are ungrateful. With an honorable liberality they had bestowed the military lands upon them; and to gladden the evening of their days, had provided them with pensions. Few of those patriots were now living, and of that few, the number was yearly diminishing. In fifteen years, the grave will have covered all those who now survived. Was it not, then, unwise to hazard a wholesome restrictive provision, lest in its operation it might affect these few individuals for a very short time? He would add no more. His duty would not permit him to say less.

One word on the main question before the committee. We had already reached the verge of universal suffrage. There was but one step beyond. And are gentlemen prepared to take that step? We were cheapening this invaluable right. He was disposed to go as far as any man in the extension of rational liberty; but he could not consent to undervalue this precious privilege, so far as to confer it with an indiscriminating hand upon every one, black or white, who would be kind enough to condescend to accept it.

**END OF  
TITLE**